

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION

IN RE:)	
)	
INTERNATIONAL HERITAGE, INC.)	CHAPTER 7
)	CASE NO. 98-02675-5-ATS
Debtor.)	
)	
INTERNATIONAL HERITAGE,)	CHAPTER 7
INCORPORATED,)	CASE NO. 98-02674-5-ATS
)	
Debtor.)	

**INTERIM APPLICATION FOR SPECIAL ATTORNEY
FOR TRUSTEE FEE AND EXPENSE REIMBURSEMENT**

The undersigned Stephani W. Humrickhouse of Nicholls & Crampton, P.A. ("Applicant") applies to the Court for the entry of an Order approving and authorizing interim Special Attorney for Trustee fees for the period October 26, 2004 to October 31, 2005 in the amount of \$1,702.00 and expense reimbursement in the amount of \$54.29. In support of said Interim Application, Applicant respectfully shows the Court the following:

1. Applicant has acted as Special Attorney for the Trustee since employed and appointed by Order dated January 28, 1999. The services rendered by Applicant and members of its firm have been substantial and Applicant believes that allowance of a fee in full at this time is appropriate and necessary.
2. Fees in the amount of \$156,758.00 and expenses in the amount of \$6,551.07 have been applied for by the Applicant and approved by the Court prior to this Application. However, \$22,803.00 of that \$156,758.00 was applicable to the representation of the Trustee in his claims against the Debtor's principal, Stanley Van Etten and not related to the prosecution of general avoidance actions.
3. To date, the Applicant has delivered the total sum of \$478,621.17 to the Trustee for preferences, which includes \$67,712.51 collected prior to the initiation of the adversary proceedings and \$410,908.66 collected as a result of the adversary proceedings. Monies are collected by the Applicant and delivered to the Trustee to hold in trust pending Court approval. The status of the adversary proceeding cases is as follows:

- a. 61 adversary proceedings have been settled in the sum of \$401,204.90 and approved by the Court (plus a Rolex watch was turned over to the Trustee and subsequently sold by the Trustee at private sale for \$6,000.00).
- b. Default Judgment has been entered in 16 adversary proceedings (3 of which have been satisfied in the sum of \$9,703.76).
- c. 13 adversary proceedings have been dismissed because of a complete defense by the Defendant or the inability to locate the Defendant.
- d. One adversary proceeding has been dismissed due to the Defendant filing Chapter 11 bankruptcy.
- e. Judgment has been entered in one adversary proceeding after trial in the amount of \$2,620.00 + interest.

4. A Summary of Services Rendered which indicates the name of the attorney or paralegal, the hours spent, the hourly rate and total compensation requested is attached as Exhibit A. Attached as Exhibit B is a breakdown by hours and description of the services rendered in connection with this Application. Services rendered were reasonable and necessary in the proper representation of the Trustee. Said Exhibit B reflects an itemization of expenses incurred on behalf of the Trustee by category totals. A separate statement has been created for each adversary proceeding in which time has been entered so that settlement offers can be evaluated more efficiently.

5. The Trustee's agreement to pay the fees at the rates set out herein are substantiated in its Application by Trustee for Authority to Employ and Appoint Attorney Specially dated January 27, 1999. Stephani W. Humrickhouse has rendered professional services of not less than 7.7 hours and that for such professional services Trustee agreed to pay the rate of \$200.00 per hour. Phyllis W. Hill has rendered paralegal services of not less than 1.8 hours and that for such paralegal services Applicant is regularly paid at the rate of \$90.00 per hour.

6. Stephani W. Humrickhouse is a Partner with Nicholls & Crampton, P.A. She is a Board Certified Specialist in Bankruptcy Law by the North Carolina State Bar Board of Legal Specialization, is a former member of the Bankruptcy Council of the North Carolina Bar Association, previously served as Chairman of its Continuing Legal Education Committee, is a Certified Bankruptcy Specialist by the American Bankruptcy Certification Board and is an experienced Chapter 11 bankruptcy practitioner. Humrickhouse was admitted to the bar in 1980. Humrickhouse regularly charges and has been paid as her ordinary rate \$285.00 per hour. However, based on Court guidelines for the representation of the Trustee, she has only charged \$200.00 per hour during the time period covered by this Application in this case.

7. Phyllis W. Hill is a Paralegal with Nicholls & Crampton, P.A. She attended the University of Tennessee in Knoxville, TN majoring in Business Administration and received her paralegal/legal assistant degree from UT. She has been a paralegal since 1977 with seven years experience in Tax, Estate Planning, Trust and Estate Administration in Knoxville, TN, eight years experience in Civil Litigation with Hunton & Williams in Raleigh, NC and has been with Nicholls & Crampton since February, 1993, concentrating in Bankruptcy.

8. Copying charges are recorded by client identification number, pursuant to a control counting device connected to Applicant's copying machine. The copying charges are read by Applicant's Office Administrator twice monthly, at mid and end month, and entered into the Accounting Package on those "read" dates. Applicant does not have the ability to further break down the dates such copying charges were incurred other than as expressed above

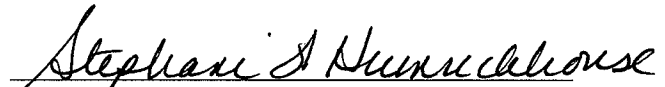
9. Postage charges for are entered cumulatively at month's end.

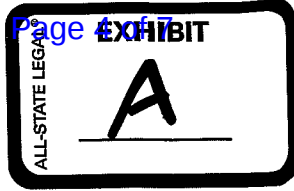
10. Copies are charged at 20¢ per page, and fax transmissions are charged at \$1.00 per page for out-going transmissions, with no charge for incoming faxes. Deliveries are charged at the rate of \$7.50.

11. The best interests of the Trustee, the Debtor, and the Estates will be served by the allowance of this Application in full.

WHEREFORE, Applicant respectfully requests the Court for the entry of an Order allowing and authorizing Special Attorney for Trustee fees in the amount of \$1,702.00 and expense reimbursement in the amount of \$54.29.

This the 22nd day of November, 2005.


Stephani W. Humrickhouse
State Bar No. 9528
Attorney for Trustee
Nicholls & Crampton, P.A.
Post Office Box 18237
Raleigh, North Carolina 27619
Telephone: 919-781-131



UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION

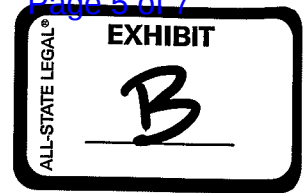
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SUMMARY OF SERVICES RENDERED

Nicholls & Crampton, P.A.

From October 26, 2004 to October 31, 2005, the undersigned person/firm has performed professional services for this estate in the capacity of special attorney for the Trustee during the Chapter 7 case. Attached hereto is an itemization of time expended and expenses incurred in the performance of these professional services.

<u>NAME</u>	<u>TITLE</u>	<u>HOURS SPENT</u>	<u>HOURLY RATE</u>	<u>TOTAL</u>
Stephani W. Humrickhouse	Partner	7.7	\$200.00	\$1,540.00
Phyllis W. Hill	Paralegal	1.8	\$ 90.00	\$ 162.00
TOTAL FEES				\$1,702.00
TOTAL EXPENSES				\$ 54.29
TOTAL AMOUNT REQUESTED				\$1,756.29



In Account With
NICHOLLS & CRAMPTON, P.A.
 ATTORNEYS AT LAW

4300 Six Forks Road--Suite 700
 Post Office Box 18237
 Raleigh, North Carolina 27619
 Telephone: 919/781-1311 Fax: 919/782-0465

Federal ID #
 56-1201204

Holmes P. Harden
 c/o Maupin, Taylor & Ellis, PA
 3200 Beechleaf Ct. POB 19764
 Raleigh, NC 27604

Invoice Date: November 22, 2005
 Invoice No. 5373
 Client/Matter ID: 12075.001

RE: SH/G - International Heritage, Inc - Chapter 7

Amount Paid: _____

For legal services rendered, including but not limited to

			Hours	
10/28/2004	PAR	Work on application for Special Counsel Fee and Expense Reimbursement, Notice of Motion and proposed order.	1.80	162.00
11/10/2004	HUM	Letter to Holmes Harden re: IRS subrogation claim.	0.30	60.00
06/25/2005	HUM	Call to Holmes Harden re: Kelly Van Etten subrogation of IRS claim.	0.20	40.00
06/27/2005	HUM	Conference with Holmes Harden re: Kelly Van Etten claim.	0.20	40.00
07/07/2005	HUM	Confer with Holmes Harden re: Van Etten/IRS claim; draft letter to Jim Craven; review trustee reports.	1.00	200.00
07/29/2005	HUM	Review Craven letter re: Van Etten subrogation claim, conference with Holmes Harden re: same.	0.50	100.00
08/03/2005	HUM	Prepare objection to claim of IRS, prepare letter to Jim Craven re: Van Etten claim.	1.20	240.00
08/29/2005	HUM	Research substitution of priority claimant, finalize letter to Craven re: Van Etten claim, conference with Holmes re: same.	2.20	440.00
08/31/2005	HUM	Prepare additional objection to claim research on govt time period for objection.	0.50	100.00
09/02/2005	HUM	E-mail to Holmes in response to Craven letter on Van Etten claim; finalize additional objection to IRS claim.	0.70	140.00

A finance charge is computed on account balances unpaid 30 days after the billing date at a periodic rate of 1 1/2% per month (Annual percentage rate of 18%)

NICHOLLS & CRAMPTON, P.A.
ATTORNEYS AT LAW

Page No.

2

Holmes P. Harden

Invoice Date: 11/22/2005

RE: SH/G - International Heritage, Inc - Chapter 7

Invoice No. 5373

Client/Matter ID. 12075.001

		Hours	
09/06/2005	HUM Draft response letter to Craven.	0.40	80.00
09/13/2005	HUM Finalize objection to duplicate IRS claim and transmit to Harden for verification.	0.50	100.00
11/22/2005	AND		
	FEES BILLED	<u>9.50</u>	<u>1,702.00</u>

FEE SUMMARY

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
S W Humrickhouse	7.70	\$200.00	\$1,540.00
P W Hill	1.80	90.00	162.00

DISBURSEMENTS

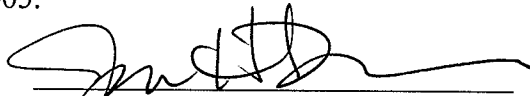
Postage	7.12
Copies	25.20
Fax	6.00
Delivery charge	7.50
Contract Copies	8.47
TOTAL DISBURSEMENTS	<u>54.29</u>
TOTAL FEES AND DISBURSEMENTS THIS INVOICE	1,756.29
 PREVIOUS BALANCE	 \$0.00
 BALANCE DUE	 <u><u>\$1,756.29</u></u>

CERTIFICATE OF SERVICE

It is hereby certified that the foregoing INTERIM APPLICATION FOR SPECIAL ATTORNEY FOR TRUSTEE FEE AND EXPENSE REIMBURSEMENT was served this day by placing a copy thereof in a depository under the exclusive care and custody of the United States Postal Service in a postage prepaid envelope and properly addressed as follows:

Mrs. Marjorie K. Lynch
Bankruptcy Administrator
434 Fayetteville Street Mall
Suite 620
Raleigh, NC 27602

This the 22nd day of November, 2005.



Jennifer H. Davison
Legal Assistant